

# Business, Industry and Carbon Offset Opportunities



Our recommendations acknowledge the lack of certainty regarding a federal climate policy and ambiguity this creates for business and industry. Rather than predict the outcomes and requirements of pending climate policy, we focus on strategies that prepare Albuquerque's business and industry sector for nationally regulated greenhouse gases, regardless of specific legislative outcomes.

We offer a suite of strategies designed to help business and industry understand, identify and act upon opportunities inherent in greenhouse gas reductions.

These opportunities may include cost reductions through energy efficiency measures, carbon offset partnerships with private, non-profit or government entities or positive recognition of voluntary efforts to reduce greenhouse gas emissions.

Our strategies are designed to work within current voluntary state and regional initiatives as well as pending national climate policy. For example, we address actions that support participation in the Western Climate Initiative's (WCI's) regional carbon cap-and-trade program, but we also recommend preliminary actions that help business and industry prepare for and even thrive in a carbon-constrained business environment.

We ask our City's leadership to implement the policies, programs and partnerships outlined in our recommendations. We ask businesses, watch groups and citizens to engage in the public dialog regarding climate change and follow the Climate Action Plan's progress to ensure that we act upon the strategies needed to meet our short-, mid- and long-term greenhouse gas reduction goals.

Once a national climate policy is enacted, we ask the City, businesses and Task Force members to revisit our recommendations and re-calibrate the Climate Action Plan so that it aligns with and even exceeds national mandates for reducing greenhouse gas emissions.

## Strategy One

### Incent and Educate–

Develop climate-friendly business practices in the City of Albuquerque.

## Strategy Two

**Prepare**–Develop a carbon offset strategy that is based on best practices and incorporates actions that are likely to be consistent with national climate policy.

## Strategy Three

**Standardize**–Create a greenhouse gas emissions reduction initiative for business and industry that includes standardized measurement and verification protocols.

## Strategy Four

**Partner**–Create partnerships to facilitate carbon offset opportunities and provide green collar job training.





## 1. Incent and Educate–Develop climate-friendly business practices in the City of Albuquerque.

- Coordinate with appropriate trade and industry groups to develop an energy efficiency education, outreach and training campaign targeted to business and industry.
- Establish a Sustainable Business Council of business, utility and government members to promote best practices and share success stories and cost savings related to greenhouse gas reductions. The Sustainable Business Council would serve as a clearing house for businesses to collaborate to reduce emissions and waste, identify waste stream markets within the region and discuss how to streamline distribution, establish manufacturing clusters, reduce transportation costs and establish rail and truck terminals in order to reduce greenhouse gas emissions.
- Develop shared systems (wind, solar, geothermal, waste-heat systems) for new industrial parks that house offices, manufacturers and business incubators. These parks will incorporate best practices for re-use of heating and cooling, closed-cycle water treatment, waste disposal, shared employee transport and mass transit. Provide tours so businesses can learn best practices, see the actual cost-benefit dollar amounts and adopt the parks' approaches. Publish annual reports that summarize best practices, accomplishments and provide success stories and recognition awards to the highest achievers.
- Actively advocate for a comprehensive local, state and regional energy policy that drives a sustainable energy infrastructure: smart grids, renewable energy, energy efficiency, state-of-the art technologies and infrastructure. Coordinate with the Public Regulation Commission to develop changes to utility policy that will encourage and enhance climate-friendly practices for Albuquerque businesses. Work with appropriate entities to deploy smart grid technologies within the city.
- Provide attractive loans to small businesses (such as zero-interest, low-interest and micro loans) to change business processes and energy usage. Work with local financial and banking institutions to develop a "green business loan" program that encourages lower energy consumption.
- Provide an education, outreach and training program for businesses. This program can be developed with the assistance of appropriate trade and industry organizations and administered in the Environmental Health Department. Develop public service announcements, informational films and podcasts for small businesses through partnerships with the Central New Mexico Community College (CNM) film crew.
- Develop a voluntary Green Business Certification program that includes education, training, ongoing support, recognition and incentives for early adopters who voluntarily reduce their greenhouse gas emissions through energy efficiency, renewable energy, resource efficiency and similar efforts.
- Develop a green purchasing program for City vendors that either operate low carbon businesses, provide environmentally sustainable products and services or demonstrate greenhouse gas emissions reductions through the Green Business Certification program or other means of measurement and verification.



## 2. Prepare–Develop a carbon offset strategy that is based on best practices and incorporates actions that are likely to be consistent with national climate policy.

- Investigate funding sources for carbon offset projects. City staff should advocate and obtain Western Climate Initiative offset credits, develop voluntary programs to generate income for local offset projects and encourage the creation of a local carbon offset company. The City should also develop a tiered incentive purchasing program for employees to purchase travel offsets from companies based in the City or state.
- Actively participate in Western Climate Initiative program and policy development by identifying City staff that will serve on the WCI steering committee. In order to meet this objective, the City must complete its greenhouse gas inventory and establish an emissions baseline as a prerequisite to strategic participation and policy creation.
- Identify potential ecosystem assets such as wetlands or forests that may qualify as carbon sinks for a carbon offset program. In order to accomplish this, the City must inventory its open spaces to identify potential eco-assets, establish an ongoing monitoring program and develop and maintain a database of potential offset projects.
- Prepare business and industry for a carbon offset market by hosting a conference that educates business and industry about the opportunities and risks of the WCI carbon cap-and-trade program and pending federal climate legislation prior to their implementation.
- Design large business programs in order to impact emissions reductions on a larger scale. These City-managed carbon offset programs focus on large businesses, their employees and their vehicle fleets. Some examples include a “junker” car program whereby the City purchases junker cars as an offset strategy, a carpooling program or promoting flex-time for employees.

### What is a Carbon Offset?

A carbon offset is a financial instrument aimed at reducing greenhouse gas emissions. The basic idea of carbon offsets is to figure out your personal or business GHG emissions, “carbon footprint” and balance GHG emissions with GHG reductions. Purchasing offsets is a convenient mechanism to balance your carbon footprint.

A “carbon offset” is an emission reduction credit, from another organization’s project, that results in less greenhouse gases in the atmosphere than would otherwise occur. Carbon offsets are measured in metric tons of carbon dioxide-equivalent (CO<sub>2</sub>e) and may represent six primary categories of greenhouse gases. By funding these reductions in greenhouse gas emissions, you balance, or offset, your own impact by an equivalent amount and your purchase funds additional GHG reductions projects.



### **3. Standardize—Create a greenhouse gas emissions reduction initiative for business and industry that includes standardized measurement and verification protocols.**

- Ensure a funded and staffed entity to collect business and industry’s annual greenhouse gas inventories, report annual absolute emissions reductions and serve as a liaison between the City and the business community. Initial actions include researching comparable municipal programs, identifying possible entities that could serve this role (non-profit, City agency, private business) and increasing the City’s environmental staffing levels to match those of comparably sized cities.
- Propose standardized emissions accounting protocols for business and industry, consistent with the City’s existing greenhouse gas accounting practices. To accomplish this, the City would first identify existing protocols and determine the feasibility of using these protocols for businesses and industries. The City would then solicit input from representative business and industry groups and develop a small pilot program to assess emissions accounting procedures.
- Identify and secure third-party verification for greenhouse gas inventories and progress reports. Research comparable practices and providers in other cities, identify possible entities that could serve this role and develop a proposal that provides a high-level overview of all options for third-party oversight.
- Baseline business and industry’s greenhouse emissions and determine absolute emissions reductions needed to meet the Climate Action Plan’s short-, mid- and long-term greenhouse gas emissions reduction goals. Initial efforts include an estimate of the 2000 baseline greenhouse gas emissions from Albuquerque business and industry and a determination of the absolute greenhouse gas emissions reductions required to meet the Climate Action Plan’s emissions reduction goals.

### **4. Partner—Create partnerships to facilitate carbon offset opportunities and provide green collar job training.**

- Partner with large greenhouse gas emitters to develop public policy that allows for large emitters to implement carbon offset partnership projects with residential, commercial, educational and governmental entities. In an offset partnership project, the large emitter would fund the offset project and receive credit for the greenhouse gas emissions reductions. The partnering benefits from the avoided cost of installing onsite renewable energy systems, deploying energy efficiency and demand-side management technologies or from initiating forestation projects.
- Partner with regional education institutions to develop green collar workforce training and educational opportunities that provide skilled labor for renewable energy, energy efficiency and other environmentally sustainable industries. Facilitate internships and provide green career pathways for trainees.